

NEW APPLICATION



0000126808

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DOCUMENT CONTROL

December 5, 1997

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Client-Matter No. 19539-0324
Tucson

Docket Control
Arizona Corporation Commission
1200 W. Washington Ave.
Phoenix, AZ 85007

Re: Application of Trico Electric Cooperative, Inc. for an Extension
to File its Unbundled Service Tariffs with the Commission
in Docket No. ~~U-0000-94-165 and U-1461-97-12~~

Gentlemen: *E-01461A-97-0696*

Enclosed please find the original and 10 copies of the Application of Trico Electric Cooperative to be filed in Docket No. U-0000-94-165, and also an original and 10 copies to file in Trico's own Docket U-1461. The Retail Electric Competition Rules are not clear as to in which docket the Application should be filed. Hence, we are filing it in both dockets.

Very truly yours,

O'CONNOR CAVANAGH MOLLOY JONES

Russell E. Jones

REJ:cw
Enclosures
cc: Trico Electric Cooperative, Inc.

NEW APPLICATION

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DOCKET NO. 1461

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JAMES M. IRVIN
Chairman
RENZ D. JENNINGS
Commissioner
CARL J. KUNASEK
Commissioner

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE COMPETITION
IN THE PROVISION OF ELECTRIC
SERVICES THROUGHOUT THE STATE OF
ARIZONA,

E-01461A-97-0696
Docket Nos. ~~D-0000-94-165~~
H-1461

APPLICATION OF TRICO ELECTRIC
COOPERATIVE, INC.

Pursuant to A.A.C. R14-2-1615.C., Trico Electric Cooperative, Inc., an Arizona nonprofit corporation ("Trico"), makes this Application to the Arizona Corporation Commission ("Commission") for an extension of time from December 31, 1997 to March 31, 1998, in which to file its Unbundled Service Tariffs with the Commission and in support of its Application states as follows:

1. Trico is an Arizona non-profit corporation supplying electric service to consumers in the portions of Pima, Pinal and Santa Cruz Counties, Arizona pursuant to Certificates of Convenience and Necessity issued to Trico by the Commission. Trico is an "Affected Utility" as defined in A.A.C. R14-2-1601.1.

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1 2. Pursuant to A.A.C. R14-2-1606.C, Trico is required to file by December 31, 1997,
2 Unbundled Service Tariffs pertaining to various electric services provided by Trico. A.A.C. R14-
3 2-1615.C., however, provides that Affected Utilities may seek variances from the terms of
4 A.A.C., Title 14, Chapter 2, Article 16, Retail Electric Competition Rules ("Rules").

5 3. For the reasons set forth below, Trico requests that it be given until March 31,
6 1998 to submit such Unbundled Service Tariffs.

7 4. The reasons supporting this Application and why the public interest will be served
8 by granting this Application are as follows:

9 A. Shortly after the Rules were adopted on December 26, 1996, Arizona's
10 electric cooperatives, including Trico, began working in conjunction with the National Rural
11 Utilities Cooperative Finance Corporation ("CFC") to develop a standard cost model which
12 would allow the accurate design of unbundled rates. Most of the basic work on this model has
13 been completed. However, additional refinements are required and the generic model must be
14 applied specifically to Trico. The extension will allow this work to be completed so as to attempt
15 to insure that distribution and other costs as well as the financial requirements of Trico's lenders,
16 the United States of America through the Rural Utilities Service and CFC, TIER and DSC, are
17 appropriately assigned and recovered.

18 B. In September, the cooperatives and CFC met to discuss this unbundling
19 project with the Commission's Staff. Based on that meeting, additional work in relation to the
20 model is being performed and the extension of time requested should facilitate Staff and
21 Commission review of the Unbundled Service Tariffs once filed.

22 C. A.A.C. R14-2-1606.G.2 requires that the rates set forth in the Unbundled
23 Service Tariffs shall reflect the costs of providing the services. To this point, calendar 1996 data
24 has been used in relation to the cooperatives' Unbundled Service Tariffs project. Because the
25 tariffs will not take effect until, at the earliest, January 1, 1999, this cost data should be as current
26 as reasonably practicable. By March 31, 1998, Trico will be able to use data as current at

1 December 31, 1997 to support the costs underlying the tariffs., thus greatly improving the cost
2 data of the model.

3 D. Inasmuch as competitive rates will not become effective until January 1,
4 1999, a three month delay in filing the tariffs will provide no detriment to the Staff or the
5 Commission. The additional three months will enable Trico and Trico's consultants to provide
6 tariffs which will be based upon much more accurate information and a more cost reflective basis
7 that will be in the best interests of the portion of the public that will be affected by such tariffs.

8 WHEREFORE, having fully stated its Application, Trico respectfully requests the
9 Commission enter its Order authorizing the filing of Unbundled Service Tariffs on or before
10 March 31, 1998.

11 RESPECTFULLY SUBMITTED this 5 day of December, 1997.

12 O'CONNOR CAVANAGH MOLLOY JONES

13
14 By: *Russell E. Jones*
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19 Attorneys for Trico Electric Cooperative, Inc.

20 Two (2) ORIGINALS and 20 copies
21 filed this 5th day of December, 1997,
22 with:

23 Docket Control
24 Arizona Corporation Commission
25 1200 W. Washington
26 Phoenix, Arizona 85007

Copy to:

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